

CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

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COUNTRY Hungary

REPORT

SUBJECT Cutting Tool Industry

DATE DISTR. 16 August 1954

DATE OF INFO.

NO. OF PAGES 1

PLACE ACQUIRED

REQUIREMENT NO. RD

REFERENCES

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- Enclosures: (A) Békéscsaba Cutting Tool Factory (1 page)
(B) Cutting Tools (General)(2 pages)
(C) Cutting Tool Factory Enterprise (3 pages)

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Field No. 51-61. January 1954

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Bekescsabai Forgacsolo Szerszamok Gyara
(Bekescsaba Cutting Tool Factory), BEKESCSABA.

1. Exact location: not known.
2. The factory started operating in 1952.
3. The factory produces the following:

- (a) Thread boring tools,
- (b) Thread cutters,
- (c) Reamers,
- (d) Cutters,
- (e) Circular saw cutters,
- (f) Sundry cutting tools.

The value of production in 1953 was about 12 to 14 m. Forints.

It is planned to increase production, because there is only one other factory in Hungary producing cutting tools (Forgacsolo Szerszangyar in BUDAPEST).

4. The number of employees is about 130-150.

It is difficult to find sufficient labour for the planned expansion, because there are too few skilled tradesmen in BEKESCSABA.

5. There are many bottlenecks, among which are the following:

- (a) Lack of sufficient machine-tools. The machine-tools in use are of antiquated design and in bad condition.
- (b) Lack of measuring tools and instruments.
- (c) Lack of steel of a quality suitable for producing high duty tools. (This applies to all steels in Hungary in general. Such quantities of better quality steel as are made, are allocated to the large concerns, especially those producing armaments).

6. The concern is subordinate to the Directorate of Mechanical Engineering in the Ministry of Metallurgy and Mechanical Engineering.

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CUTTING TOOLS (GENERAL)

1. Cutting tools (thread boring tools, thread cutters, reamers, circular saw cutters and sundry cutters) are produced for:-

(a) Civil needs by:-

- (i) FORGACSOLOSZERSZAMOK GYAR VALLALAT (Cutting Tools Factory Enterprise), BUDAPEST.
- (ii) BEKESCSABAI FORGACSOLO SZERSZAMOK GYARA (Cutting Tools Factory,) BEKESCSARA.

The above plants are the only ones permitted to produce these tools for civil destinations. Supplies of high duty steel are so inadequate and of such inferior quality, that there is a desperate shortage of cutting tools.

(b) Armaments factories by:

- (i) DANUVIA FINOMMECHANIKAI - ES KESZULEKGYAR (DANUVIA Precision Tools and Appliances Factory), BUDAPEST.

This factory was formerly called DANUVIA FEGYVER - ES LOSZER GYAR (DANUVIA Arms and Ammunition Factory). In 1950 civil production was removed to 132/138 Reitter Ferenc-utca, BUDAPEST XIII, where the FORGACSOLO SZERSZAMOK GYAR VALLALAT was set up. The best machine-tools were retained by the DANUVIA Factory.

- (ii) KOZPONTI SZERSZAM - ES KESZULEK GYAR (Central Tools and Appliances Factory.)

The location is not known. This factory was set up in 1952/3.

- (iii) SZEKESFEHERVARI SZERSZAM - ES SZERSZAMGEPIGYAR (Tools and Machine-Tools Factory) SZEKESFEHERVAR.

Produces tools and appliances and machine-tools of simple design for armaments factories.

- (iv) GYORI SZERSZAMGYAR (Tools Factory), GYOR.

Produces tools and equipment for armaments factories. Set up at the end of 1952 with machine tools withdrawn from GYOR Wagon Works.

These four plants are subordinate to Directorates I and II in the Ministry of Metallurgy and Mechanical Engineering.

2. The reasons for separating the factories producing cutting tools for military destinations from those producing for civil requirements were as follows:

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(a) Security in all its aspects.

(b) Shortage of materials:

As supplies of high duty steel have always been insufficient, it was wished to satisfy the requirements of armaments factories regardless of civil needs. Ferenc BIRO, the Deputy-Minister responsible for armaments, therefore insisted that separate factories be set up, as this would make it easier for him to obtain all the semi-finished products required.

(c) Quality.

Supplies of high duty steel of satisfactory quality are even more difficult to come by. By separating military production from civil production it is possible to divert all available good quality steel to the armaments factories.

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FORGACSOLO SZERSZAMOK GYARA VALLALAT
(Cutting Tool Factory Enterprise)

Abbreviated name: FORSZ

Street address: 132/138 Reitter Ferenc-utca, BUDAPEST XIII.
(According to telephone directory)

Telephone: 208-040

1. HISTORY

This concern has been formed by splitting up a factory which up to 1945 was known as DANUVIA FEGYVER-ES LOSZERGYAR (DANUVIA Arms and Ammunition Factory) at 10/20 Angol-utca, BUDAPEST XIV.

In 1945 it was converted into a watch factory under the title DANUVIA ORAGYAR.

In 1948 it was converted into a factory for producing cutting tools. Its title became DANUVIA SZERSZAMGYAR.

In 1950 it was split into the DANUVIA FINOMMECHANIKAI-ES KESZULEKGYAR (Precision Tools and Apparatus Factory), subordinate to Directorates I and II (i.e. armaments) in the Ministry of Metallurgy and Mechanical Engineering, with premises at 10/20 Angol-utca, BUDAPEST XIV, and a civil tools factory, the FORGACSOLO SZERSZAMOK GYARA, with premises at 132/138 Reitter Ferenc-utca, BUDAPEST XIII and (according to the telephone directory) with a branch at 16 /18 Dohany-utca, BUDAPEST X.

2. LOCATION

Not known, apart from the address.

3. PRODUCTION

The range of products comprises all kinds of standard cutting tools (no drills).

The value of production in 1953 was about 60-65 m. Forints p.a.

The plant is considered important because it is the only one in Hungary producing standard cutting tools on a large scale. (There is a factory at BEKESCSABA which also produces cutting tools but in small quantities. By a ministerial decree no other factory apart from these two, is permitted to manufacture standard cutting tools, not even for the use of its own shops.

4. MATERIALS

Supplies of materials for tool making are insufficient and irregular. There is a perpetual shortage and the factory is finding it difficult to fulfil its plan.

In May/July 1953 the situation was so bad that work was at a standstill and it looked as if the plant would have to close down altogether. At the last moment

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- 2 -

some material arrived from the U.S.S.R., but its quality was so inferior that it was necessary to seek permission from the Ministry to depart from the specifications prescribed for standard cutting tools.

5. DESTINATIONS OF PRODUCTS

All of the factory's production is delivered to the Hungarian organisation trading in and distributing special steels and tools (NEMESACEL-ES SZERSZAMERTE-KESITO VALLALAT). Allocations of tools to all civil users are made only by this enterprise. For military destinations the factory supplied at the end of 1952 and beginning of 1953 small quantities of cutting tools. But this was only for a short time because new concerns were set up for producing cutting tools for the factories engaged on armaments production.

As far as is known, there are no exports.

6. TRANSPORT

7. POWER

8. LABOUR

The number of employees is about 1,000 to 1,200.

9. PLANT EQUIPMENT

The machine-tools are old and in bad condition. They are the residue of machine-tools left after the DANUVIA Precision Tool Factory had picked out the best for its own plant producing tools for armaments factories. Some of the machine-tools originate from five to six small workshops which have been nationalised. A few new units have been acquired since 1950.

There is a testing room and a laboratory, both of which are poorly equipped and incomplete.

10. QUALITY CONTROL

- (a) Quality control is carried out by an organisation consisting of 120 inspectors, of whom 80% are factory workers trained for the job.
- (b) Quality control in this factory is faced with a difficult problem arising from the poor quality of the steel used. In particular it proved impossible to manufacture satisfactory tools with the Russian steel mentioned in Para. 4.

11. SERVICES

No information available.

12. BOTTLENECKS

Bottlenecks have arisen from the following causes:

- (a) Irregularity of supplies of steel.
- (b) Unsuitable quality of steels.
- (c) Poor condition of machine-tools, and the resulting lack of precision.
- (d) Lack of sufficient workers, as wages are low owing to shortages in raw materials.

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- 3 -

- (e) Underproduction in small cutting tools and overproduction in large sizes. (This is the result of a continual scramble to fulfil the plan and thereby increase pay-packets, by producing large tools, which have to be stored for lack of demand, and neglecting the production of small tools, for which the demand cannot be satisfied.)

13. SECURITY

No information available.

14. ORGANISATION

- (a) The factory is subordinate to the Directorate for Mechanical Engineering in the Ministry of Metallurgy and Mechanical Engineering.
- (b) The leader of quality control is Laszlo SIMON, an engineer who formerly worked in the Institute of Quality Control. No other identities are known.